

ORIGINAL

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

RECEIVED

OCT 29 3 50 PM '98

POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

MAILING ONLINE SERVICE

Docket No. MC98-1

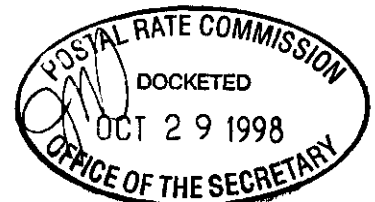
FIRST INTERROGATORIES AND
DOCUMENT REQUEST OF
MAIL ADVERTISING SERVICE ASSOCIATION INTERNATIONAL
TO USPS WITNESS HAMM
(USPS-T6-1 - 10)

In accordance with Order No. 1216 of the Postal Rate Commission, the witness is requested to provide written responses to the following interrogatories within 10 days of the date hereof. For purposes of these interrogatories, "MOL" refers to the Mailing Online Service that is the subject of these proceedings.

MASA/USPS-T6-1. In your testimony at page 1, you state that Printing Industries of America ("PIA") "represents every segment of the printing industry. Identify each "segment of the printing industry," provide a narrative definition of each segment, and state how many of PIA's members are in each segment (estimates may be used if exact numbers are not available).

MASA/USPS-T6-2. You state at page 1 of your testimony that "[w]hile PIA represents large companies, the overwhelming majority of printers have fewer than 20 employees."

- a. Identify all sources that support or provide the basis for this statement, and produce a written copy of the source material.
- b. Provide the following information about PIA's membership:
the number and percentage of its membership with (i) less than 20 employees; (ii) more than 20 employees and less than 50 employees; (iii) more than 50 employees and less than 100 employees; (iv) more than 100 employees and less than 200 employees; and (v) more than 200 employees.



- c. Produce any PIA membership brochures or profiles or any other document that contains information about the business segments and size of the PIA membership in the possession of PIA.
- d. Do PIA's members perform services such as folding, inserting, and presorting, for their customers? If so, what percentage of PIA's members perform such services, and what percentage of their business in revenues does this service sector represent (give estimates if precise data is unavailable).
- e. What percentage of PIA's membership is comprised of businesses that offer lettershop services?

MASA/USPS-T6-3. State with respect to your employer, Balmer Printing and Graphics, the number of employees, its size relative to the average PIA member, and whether it is currently engaged in what you have described as "digital printing." If Balmer is engaged in digital printing, provide a brief description of the nature of its digital printing business, and state the percentage of its business in terms of revenues and number of jobs that derives from digital printing jobs.

MASA/USPS-T6-4. With respect to the Digital Printing Council referred to at page 1 of your testimony, state (i) whether it is a part of PIA; (ii) how many members it has and how they were chosen; and (iii) what its functions are.

MASA/USPS-T6-5. Describe the decision-making process by which it was determined that PIA should support MOL and offer your testimony. Include in your answer a description of the members consulted, any votes that were taken and, if so, by which governing bodies within PIA.

MASA/USPS-T6-6. In response to DPB/USPS-T6-2, you refer to a Request for Proposal ("RFP").

- a. Produce a copy of the RFP and any other material that was sent to PIA members as described in your answer.
- b. Confirm that only 250 members of PIA were sent the RFP and asked to comment upon it. If you cannot confirm, explain why not.
- c. Was any other contact made with PIA members that is support for the statement in your testimony that PIA members are "eager to participate" in MOL? If so, describe the contact.
- d. Your answer states that "this program focuses solely on digital printing and its applications." To what "program" does this answer refer?

- e. Your answer states that the 250 PIA members receiving the RFP were asked to make “comments, deletions and additions” to the RFP. How many of the 250 responded to this request? Produce copies of all responses.
- f. Your answer also refers to PIA’s Economics Department. Confirm that the Economics Department has done no inquiry of PIA members specifically concerning MOL. If you cannot confirm, explain in detail why not and what the Economics Department has done with respect to MOL.

MASA/USPS-T6-7. Confirm that at most only 25 printers can be awarded contracts under MOL as it is currently proposed. If you cannot confirm, explain in detail why not.

MASA/USPS-T6-8. With respect to printers who might qualify for the award of an MOL printer contract:

- a. State the minimum size printer that, in your opinion, could satisfy the requirements for service as a contract printer for MOL.
- b. In your opinion and based on your experience, what percentage of the total number of printers (see OCA/USPS-T6-3) already has the equipment necessary to perform under an MOL printer contract?
- c. At page 3 of your testimony you refer to 2,800 “digital printing units in the United States in 1997.” Define “digital printing units.” Is it necessary for a printer to perform under an MOL to have a “digital printing unit?”

MASA/USPS-T6-9. With respect to the digital printing technology referred to in your testimony:

- a. are there any capacity limitations on such technology?
- b. is digital technology more suited to shorter run print jobs than older print technology? Explain your answer.
- c. what is the upper limit print run that can be handled by digital printing technology?
- d. define and describe the older forms of print technology. Do these older forms have any limitations that would make them unsuitable for use with MOL? Explain your answer.

- e. do older forms of print technology have the ability to personalize messages? If so, identify which ones and state whether, in your opinion, they could be used with MOL.

MASA/USPS-T6-10. Describe fully and in detail all the ways in which "the benefits of Mailing Online for the printing industry are not limited to those printers actually participating in the service," as you have testified at page 3 of your testimony. Include in your answer a description of the "new businesses, increasing demand for printing" referred to in your testimony. Identify and produce any data, studies, reports, or other documentation that support your answer.

Respectfully submitted,

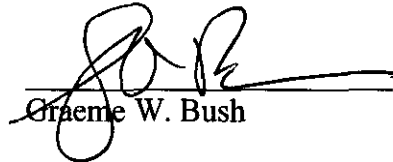


Graeme W. Bush, Esq.
CARLIN & DRYSDALE, CHARTERED
One Thomas Circle, NW
Washington, D.C. 20005

Counsel for Mail Advertising Service
Association International

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing interrogatories were served in accordance with Rule 12 of the Rules of Practice and POR No. MC98-1/4 this 29th day of October 1998.


Graeme W. Bush